

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: IGNACIO B. PESSOA, CITY ATTORNEY *IBP*

SUBJECT: LLOYD HOUSE LEASE

ISSUE: City Council consideration of a 20-year lease for the Lloyd House, which is owned by the Alexandria Historical Restoration and Preservation Commission, at an annual rent of \$10.00.

RECOMMENDATION: That City Council authorize the City Manager to execute on the City's behalf the lease (Attachment 1), in substantially the form presented to Council, with such changes as are approved by the City Manager and City Attorney. The execution of the lease by the City Manager shall constitute conclusive evidence of his approval, and that of the City Attorney, of any and all changes from the attached document.

DISCUSSION: Lloyd House, constructed c. 1796, was rescued from destruction in 1968 and purchased by the Alexandria Historical Restoration and Preservation Commission, with grant assistance from the City, the State of Virginia, the U.S. Department of Housing and Urban Development, and the Hoge Foundation. From 1976 to 2000, the building housed the archival and historical collections of the Alexandria Library. Pursuant to the acquisition grants, the property must remain available for general public use. The property needed significant renovation work to prevent deterioration of the building and before it could be reused for any purpose.

In 2001, the Commission and the City agreed that, in exchange for a 20-year lease at nominal rent, the City would undertake the renovation of the building, and that the office space would be used for the Office of Historic Alexandria (OHA) administrative staff, other City offices, and the ground floor used as public meeting space for City Boards and Commissions and for rental receptions, including use of the garden.

Funding for the renovation project consisted of grants of \$84,114 from the Commonwealth of Virginia, Department of Historic Resources and of \$125,000 from the federal program, Save

America's Treasures Historic Preservation Fund, together with \$584,000 from City funds.

The project is nearly complete, and the attached lease must be executed by the City and the Commission. Under the terms of the lease, the City has use of the building and grounds for 20 years, at the nominal rent of \$10.00 per year. The City will be responsible for all utilities, maintenance and insurance of the property. The City can rent the premises for public functions and events suitable for this historic property, such as weddings, receptions, parties, conferences or meetings, and will retain all rental income from such functions and events. The Commission can use the public function and meeting spaces for its own events without charge.

This arrangement continues the longstanding, collaborative effort between the City and the Commission to preserve, protect and make suitable use of this important and prominent historic property. City staff from both the General Services Department and OHA, with the support of the Commission members, have expended substantial time and devoted special care and effort to the restoration of Lloyd House. The restoration enhances the public visibility of the Commission, and of the valuable historic preservation and open space easement program it administers throughout the City. OHA, in conjunction with area garden clubs, anticipates a fund raising project for the restoration of the gardens.

FISCAL IMPACT: The City will pay \$10.00 a year for 20 years to lease Lloyd House for a fiscal impact of \$200. Annual maintenance and utility costs are estimated to continue at the same level as for the previous library use, approximately \$8,000. Revenues from public function and event rentals are initially anticipated at \$7,500 per year.

ATTACHMENTS:

Attachment 1: Lloyd House Lease

STAFF: Jean Taylor Federico, Director, Office of Historic Alexandria
Edward Mandley, Director, General Services

DEED OF LEASE

THIS DEED OF LEASE ("Lease") is made and entered into this _____ day of _____, 2003, by and between the Alexandria Historical Restoration and Preservation Commission, a political subdivision of the Commonwealth of Virginia ("Landlord"), and the City Of Alexandria, a municipal corporation of Virginia ("Tenant"), upon and in consideration of the terms, covenants and conditions contained in this Lease and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

W I T N E S S E T H :

ARTICLE 1 - BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.01. The following is a summary of the basic Lease information:

A. Premises: The Building and land shown on Exhibit A attached hereto, known as the Lloyd House.

B. Commencement Date: That certain date on which a certificate of occupancy is issued for the Premises, following the completion of the Improvements required pursuant to Article 3.

C. Expiration Date: The date which is the day before the 20th anniversary of the Commencement Date.

D. Execution Date: The date first above written.

E. Term: That certain period of approximately 20 years, plus the period from the Execution Date to the Commencement Date, beginning on the Execution Date and ending on the Expiration Date, unless earlier terminated as provided herein.

F. Rent: The sum of \$10.00 per year.

G. Landlord's Address for Notice and payment:

Charles Trozzo, Chairman
209 Duke Street
Alexandria, VA 22314

with a copy to:

Charles Ablard
803 Hall Place
Alexandria, VA 22302

H. Tenant's Address for Notice:

Edward Mandley, Director
Department of General Services
421 King Street, Suite 200
Alexandria, VA 22314-3211

with a copy to

Ignacio Pessoa, City Attorney
301 King Street, Suite 1300
Alexandria, VA 22314-3211

I. Permitted Use: General municipal government office and historic house program purposes.

ARTICLE 2 - PREMISES AND QUIET ENJOYMENT

Section 2.01. Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby leases and rents from Landlord, the Premises for the Term stated in the Deed of Lease.

Section 2.02. Quiet Enjoyment. Provided that Tenant fully and timely performs all the terms of this Lease on Tenant's part to be performed, including payment by Tenant of all Rent, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term without hindrance, disturbance or molestation from or by Landlord.

ARTICLE 3 - IMPROVEMENTS

Section 3.01. Improvements. Tenant shall make or cause to be made at its sole cost and expense the "Improvements" to the Premises described in the Plans and Specifications attached hereto as Exhibit B. The Improvements shall be designed and constructed in accordance with the Secretary of the Interior's Guidelines, the Design Guidelines for the Old and Historic District, and the Historic Structures Report for the Lloyd House. The Landlord shall have the right to inspect the work upon reasonable notice, and the Tenant shall consult with Landlord during the course of the work upon reasonable request. The Tenant shall include in the work the amount of \$5,000, to be expended as the Landlord may request. The tenant shall use its best efforts to complete the work on or before May 1, 2003.

ARTICLE 4 - COMMENCEMENT DATE; DELIVERY OF POSSESSION

Section 4.01. Commencement Date. The Commencement Date shall be the date on which a certificate of occupancy is issued for the Premises, following the completion of the Improvements required pursuant to Article 3.

Section 4.02. Availability for Occupancy. The Premises shall be deemed available for occupancy by the Tenant on the Execution Date.

ARTICLE 5 - RENT

Section 5.01. Rent. Tenant hereby covenants and agrees to pay to Landlord, during the Term, annual rent in the amount of \$10.00 per year, payable on the Execution Date and each anniversary thereof during the Term.

ARTICLE 6 - SERVICES OF LANDLORD

Section 6.01. Services. The Landlord is not required to provide any services, including without limitation utilities, to Tenant.

ARTICLE 7 - ALTERATIONS

Section 7.01. Alterations. Tenant shall have the right to make strictly decorative alterations or to rearrange trade fixtures without obtaining Landlord's prior consent. Other than as provided in Article 3, Tenant shall not make or cause to be made any structural, exterior, mechanical, electrical or plumbing alterations, additions or improvements in or to the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall have the right to make all other types of alterations upon receipt of Landlord's prior written consent, which consent shall not be unreasonably withheld.

Section 7.02. Mechanics' Liens. In the event that any mechanic's lien is filed against the Premises as a result of any services or labor provided, or materials furnished, by or on Tenant's behalf, or claimed to have been provided by or on Tenant's behalf, Tenant shall (i) immediately notify Landlord of such lien, and (ii) within ten (10) calendar days after the filing of any such lien, discharge and cancel such lien of record by payment or bonding in accordance with the laws of the Commonwealth of Virginia, all at Tenant's sole cost and expense.

Section 7.03. Removal. All leasehold improvements (including the Improvements, if any), alterations and other physical additions made to the Premises shall be Landlord's property and shall not be removed from the Premises. Notwithstanding the foregoing, upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's expense, remove any of the foregoing items (excluding the Improvements, if any) from the Premises if Landlord gives Tenant written notice to

do so. Tenant shall promptly repair or reimburse Landlord for the cost of repairing all damage done to the Premises by such removal. Prior to making any Alteration or other addition, Landlord shall, upon receipt of Tenant's written request, make a determination as to whether Landlord will require Tenant to remove such Alteration at the expiration of the term of the Lease.

ARTICLE 8 - REPAIRS

Section 8.01. Repairs. Tenant shall perform all maintenance and make all repairs and replacements to the Premises reasonably required during the Term. The Landlord shall, every two years, review and inspect the Premises, and recommend to the Tenant maintenance, repairs and replacements which the Landlord reasonably believes may be required pursuant to this Section.

ARTICLE 9 - CONDUCT OF OPERATIONS TENANT

Section 9.01. Use of Premises. Tenant shall use and occupy the Premises during the Term solely for the Permitted Use and for no other purpose. Tenant specifically agrees that the Premises shall not be used for any purpose which is inconsistent with the historic building. If any governmental licenses or permits shall be required for the proper and lawful conduct of Tenant's business in the Building, then Tenant shall procure and maintain same at Tenant's expense.

Section 9.02. Payment of Charges. Tenant shall pay before delinquency, any and all taxes, assessments, public charges and utility charges levied, assessed or imposed upon Tenant's use of the Premises, Tenant's leasehold interest or upon Tenant's fixtures, furnishings or equipment in the Premises, and pay when due all such license fees, permit fees and charges of a similar nature for the conduct by Tenant.

Section 9.03. Care of Premises. Tenant shall keep the Premises (including the historic building as improved pursuant to Article 3, and the landscaping existing on the Execution Date) in good order and in a safe, neat and clean condition. Tenant agrees that it will not place a load on the floor exceeding the floor load per square foot which such floor was designed to carry. Tenant may, but shall not be required to, install additional landscaping which is compatible with the historic building and grounds, and any such additional landscaping shall be maintained as required by this Section 9.03.

Section 9.04. Signage. Tenant shall, at Tenant's expense, install a sign on the Premises, indicating that the Premises is owned by the Landlord.

Section 9.05. Legal Requirements. Tenant shall, at its own expense, comply with all laws, orders, ordinances and regulations of Federal, state and local authorities and with directions of public rules, recommendations, requirements and regulations respecting all matters of occupancy, condition or maintenance of the Premises, whether such orders or directions shall be directed to Tenant or Landlord.

Wherever the term "legal requirements" appears in this Lease, such term shall be deemed to be, and include, the requirements herein above set forth.

ARTICLE 10 - TAXES, INSURANCE AND INDEMNITY

Section 10.01. Insurance to be Procured by Landlord. Landlord shall have no obligation to maintain insurance on the premises during the Term hereof.

Section 10.02. Insurance to be Procured by Tenant. Tenant, at Tenant's sole cost and expense, shall obtain and maintain in effect at all times during the Term of this Lease, policies providing for the following coverage:

A. **Property Insurance.** Policies of insurance covering fire and extended coverage on the Building, Tenant's fixtures and equipment installed and located in the Premises, and in addition thereto, covering all of the furnishings, merchandise and other contents in the Premises, for the full replacement value of said items. Coverage should at least insure against any and all perils included within the classification "Fire and Extended Coverage" under insurance industry practice in the Commonwealth of Virginia, together with insurance against vandalism, malicious mischief and sprinkler leakage or other sprinkler damage. Landlord shall be named as an additional insured.

B. **Liability Insurance.** A policy of commercial general liability insurance, naming Landlord as additional insured, protecting against any liability occasioned by any occurrence on or about any part of the Project or the Premises, and containing contractual liability coverage, with such policies to be in the minimum amount of Five Million Dollars (\$5,000,000), combined single limit, written on an occurrence basis.

C. **Builder's Risk Insurance.** If Tenant undertakes alterations, a policy of builder's risk insurance on an "All Risk" or "Special Loss" basis (including collapse) on a completed value (non-reporting) form for full replacement value covering all work incorporated in the Premises and all materials and equipment in or about the Premises performed by Tenant for which builder's risk insurance would customarily be obtained.

D. **Contractor's Liability Insurance.** If Tenant undertakes alterations, Tenant shall require any contractor performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible (i) comprehensive general liability insurance policy, which shall include contractor's liability coverage, contractual liability coverage, completed operations coverage, a broad form property damage endorsement and contractor's protective liability coverage to afford protection with limits, for each occurrence, of not less than Five Million Dollars (\$5,000,000) combined single limit, written on an occurrence basis; and (ii) worker's compensation or similar insurance policy in form and amounts required by law.

Section 10.03. General Provisions. All insurance policies procured by Tenant shall (i) be issued by good and solvent insurance companies licensed to do business in the Commonwealth of Virginia and having a Best's Rating of A + or better; (ii) be written as primary policy coverage and not contributing with or in excess of any

coverage which Landlord may carry; (iii) insure and name Landlord as additional insured; all such policies shall contain a provision that although Landlord is a named insured, Landlord shall nevertheless be entitled to recover under said policies for any loss, injury or damage to Landlord, or its servants, agents and employees by reason of the act or negligence of Tenant; and (iv) shall contain an express waiver of any right of subrogation by the insurance company against Landlord or Landlord's agents and employees. Neither the issuance of any insurance policy required hereunder, nor the minimum limits specified herein with respect to Tenant's insurance coverage, shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease. With respect to each and every one of the insurance policies herein required to be procured by Tenant, on or before the Execution Date and before any such insurance policy shall expire, Tenant shall deliver to Landlord a duplicate original, a certified copy or a certificate of insurance of each such policy or renewal thereof, as the case may be, together with evidence of payment of all applicable premiums. Any insurance required to be carried hereunder may be carried under a blanket policy covering the Premises and other locations of Tenant, and if Tenant includes the Premises in such blanket coverage, Tenant shall deliver to Landlord, as aforesaid, a duplicate original or certified copy of each such insurance policy, or a certificate evidencing such insurance coverage on the Premises. Each and every insurance policy required to be carried hereunder by or on behalf of Tenant shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that, unless Landlord shall first have been given thirty (30) days prior written notice thereof: (i) such insurance policy shall not be canceled and shall continue in full force and effect, (ii) the insurance carrier shall not, for any reason whatsoever, fail to renew such insurance policy, and (iii) no material changes may be made in such insurance policy. The term "insurance policy" as used herein shall be deemed to include any extensions or renewals of such insurance policy. In the event that Tenant shall fail promptly to furnish any insurance coverage hereunder required to be procured by Tenant, Landlord, at its sole option, shall have the right to obtain the same and pay the premium therefor for a period not exceeding one (1) year in each instance, and the premium so paid by Landlord shall be immediately payable by Tenant to Landlord as Additional Rent.

Section 10.04. Insurance Requirements. Tenant shall not do or permit to be done any act or thing upon the Premises that will invalidate or be in conflict with fire insurance policies covering the Project or any part thereof, or any other insurance policies or coverage referred to above in this section.

Section 10.05. Indemnification. Tenant hereby waives all claims against Landlord for damage to any property or injury to, or death of, any person in, upon, or about the Project, including the Premises, arising at any time and from any cause other than solely by reason of the gross negligence or willful misconduct of Landlord, its agents, employees, representatives, or contractors. Tenant shall, and hereby agrees to the extent permitted by law to, indemnify and hold Landlord harmless from any damage to any property or injury to, or death of, any person arising from the condition of the Premises or the use or occupancy of the Premises by Tenant, its agents, employees, representatives, contractors, successors or assigns, licensees or invitees, unless such damage is caused solely by the gross negligence or willful misconduct of Landlord, its agents, employees, representatives or contractors. The provisions of this Article 10 shall survive the termination of this Lease with respect to any occurrence prior to such termination and any resulting

damage, injury or death. Notwithstanding anything in this Article 10 to the contrary, Landlord shall not be liable to Tenant for any claims resulting from the gross negligence or willful misconduct of Landlord, its agents, employees, representatives or contractors to the extent such claims are covered by the types of insurance Tenant is to maintain pursuant to this Lease.

Section 10.06. Taxes. Tenant shall be responsible during the Term for the timely payment of all taxes, assessments, and other governmental charges assessed against the Premises or any portion thereof by governmental authority whether federal, state or local, or whether existing on or created or imposed subsequent to the Execution Date.

ARTICLE 11 - DESTRUCTION OF PREMISES

Section 11.01. Destruction of Premises. Tenant shall give prompt notice to Landlord in case of any casualty to the Premises or the Building. If the Premises or the Building shall be severely damaged or destroyed by fire or other casualty, then Tenant may terminate this Lease by notice given within ninety (90) days after such event. In the event this Lease is terminated as provided in this Section 11.01, the entire proceeds of the insurance provided for in Section 10.01 hereof shall be paid by the insurance company or companies directly to Landlord and shall belong to, and be the sole property of, Landlord.

Section 11.02. Obligation to Rebuild. If all or any portion of the Premises is damaged or destroyed by fire or other casualty and this Lease is not terminated in accordance with the provisions of Section 11.01 above, then all insurance proceeds under the policies referred to in Sections 10.01 and 10.02 hereof that are recovered on account of any such damage by fire or casualty shall be made available for the payment of the cost of repair, replacing and rebuilding, and as soon as practicable after such damage occurs Tenant shall, using the proceeds provided for by Section 10.01 (and, to the extent applicable, proceeds from insurance policies provided for by Section 10.02) hereof, repair or rebuild the Premises or such portion thereof to its condition immediately prior to such occurrence to the extent the cost therefor is fully funded by insurance proceeds.

ARTICLE 12 CONDEMNATION

Section 12.01. Condemnation of Premises or Project. In the event that all or substantially all of the Premises is taken or condemned by condemnation or conveyance in lieu thereof ("condemnation"), or if only a portion of the Premises is condemned and Tenant is unable to conduct its business in the remainder of the Premises, as reasonably determined by Tenant, the Term hereof shall cease and this Lease shall terminate on the earlier of the date the condemning authority takes possession or the date title vests in the condemning authority.

Section 12.02. Condemnation Award. All compensation awarded or paid upon a condemnation of any portion of the Premises shall be apportioned equitably between Landlord and Tenant.

ARTICLE 13 - ASSIGNMENT AND SUBLETTING

Section 13.01. Tenant's Right to Assign and Sublet. A. Subject to the terms of this Section 13.01 and provided there exist no defaults by Tenant under this Lease, Tenant shall have the right to sublet all or a portion of the Premises. Tenant shall not assign this lease.

B. In the event Tenant desires to sublet all or a portion of the Premises, Tenant shall give to Landlord ninety (90) days prior written notice of Tenant's intention to do so. Within thirty (30) days after receipt of said notice, Landlord shall have the right to sublet from Tenant the portion of the Premises proposed by Tenant to sublet, at a rental rate equal to the per square foot rate Tenant intends to offer to third parties. In the event Landlord does not exercise its right to sublet or the Lease as provided above in this Section, Tenant may sublet all or a portion of the Premises as set forth in the notice after first obtaining the written consent of Landlord. Landlord agrees that its consent to a proposed assignment or sublease shall not be unreasonably withheld, delayed or conditioned if the subtenant (i) assumes all of the obligations and liabilities of Tenant, (ii) is financially capable of fulfilling the monetary obligations due in connection with the proposed sublease as reasonably determined by Landlord, and (iii) shall provide Landlord with a guaranty in form and substance acceptable to Landlord in Landlord's sole discretion. If Tenant does not so sublet within ninety (90) days of the original notice to Landlord pursuant to this Section, then Tenant shall again be required to comply with the notice provision thereof, and Landlord shall again have the right to sublet the applicable portion of the Premises.

C. Except as otherwise provided in this Section 13.01, Tenant shall not sublet the Premises or any part thereof or transfer possession or occupancy thereof to any person, firm or corporation or transfer or assign this Lease without the prior written consent of the Landlord, nor shall any subletting or assignment thereof be effected by operation of law or otherwise than by the prior written consent of the Landlord.

D. The consent by Landlord to any subletting to any party shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any such subtenant or occupant constitute a waiver or release of Tenant of any covenant or obligation contained in this Lease, nor shall any such subletting be construed to relieve Tenant from giving Landlord the required written notice or from obtaining the consent in writing of Landlord to any future subletting. In the event that Tenant defaults hereunder, Tenant hereby assigns to Landlord the rent due from any transferee of Tenant and hereby authorizes each such transferee to pay said rent directly to Landlord.

Section 13.02. Assignment by Landlord. The term "Landlord", as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned,

shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground lease of, the Project. In the event of any transfer, assignment or other conveyance or transfers of any such title or interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed and, without further agreement, the transferee of such title or interest shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Project. Landlord may transfer its interest in the Lease or the Project without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms of this Lease.

ARTICLE 14 - DEFAULT AND REMEDIES

Section 14.01. Defaults. The following shall constitute "Defaults" by Tenant under the Lease:

A. If Tenant shall refuse to take possession of the Premises within five (5) days after the Execution Date;

C. If Tenant shall vacate or abandon the Premises and permit the same to remain unoccupied and unattended, or shall remove or manifest an intent to remove, not in the ordinary course of business, Tenant's goods or property out of the Premises;

D. If Tenant violates the Lease by attempting to make an unpermitted sublease;

E. If Tenant shall fail to perform or observe any other term of this Lease (not hereinbefore specifically referred to) on the part of Tenant to be performed or observed, and such failure shall continue for more than fifteen (15) days after written notice from Landlord (except that such fifteen (15) day period shall be extended for such additional period of time as may reasonably be necessary to cure such Default, if such Default, by its nature, cannot be cured within such fifteen (15) day period, provided that Tenant commences to cure such Default within such fifteen (15) day period and is, at all times thereafter, in the process of diligently curing the same.

Section 14.02. Remedies. Should a Default occur under this Lease, Landlord's sole remedy shall be to seek specific performance of this Lease, and/or damages.

Section 14.03. Waiver of Trial by Jury. Tenant and Landlord each hereby waive all right to trial by jury in any matter arising out of or in any way connected with this Lease.

ARTICLE 15 - ACCESS BY LANDLORD AND PUBLIC

Section 15.01. Access by Landlord. Landlord may, during any reasonable time or times, upon prior notice to Tenant, before and after the Execution Date, enter upon the Premises, or any portion thereof, for the purpose of: (i) inspecting the same; or (ii) showing the Premises to prospective purchasers or lessees. No such entry by Landlord shall constitute an actual or constructive eviction of Tenant or give rise to any liability to Tenant. Landlord shall have the right, upon reasonable notice to Tenant, to use the public function spaces of the Premises, or any portion thereof, including the grounds, without charge to Landlord, for meetings, functions or events conducted by the Landlord within the scope of its charter as a political subdivision of the Commonwealth of Virginia.

Section 15.02. Access by Public. Tenant shall at all times maintain the grounds as public open space, and afford access to the public during the hours within which public parks controlled by the Tenant are customarily open to public use, except during such periods as may reasonably be necessary for the conduct of meetings, functions or events on the Premises by Landlord or Tenant.

Section 15.03. Functions and Events. Tenant shall have the right to make the Premises or any part thereof available for functions and events, such as weddings, receptions, parties, conferences or meetings which are customarily conducted in an historic house or museum and are appropriate to the Premises. Any rental fees or other income derived from such functions or events shall belong to Tenant. Any license or other agreement for such uses shall prominently state that the Premises are owned by the Landlord, and have been made available by Landlord for the Tenant's use, including making the premises available for such functions and events.

ARTICLE 16 - SURRENDER; HOLDING OVER

Section 16.01. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall peacefully vacate and surrender the Premises to Landlord in good order, broom clean and in the same condition as at the beginning of the Term, reasonable wear and tear excepted. Tenant shall also remove its trade fixtures, furniture and other personal property from the Premises along with any leasehold improvements or other additions which Tenant is required to remove pursuant to the Lease.

Section 16.02. Personal Property. If Tenant fails to timely remove its property in accordance with Section 16.01 above, Landlord shall have the right, on the fifteenth (15th) day after Landlord's delivery of written notice to Tenant, to deem such property abandoned by Tenant. Tenant shall not be entitled to any further notice or cure period. Landlord may thereafter remove or otherwise deal with the abandoned property in a commercially reasonable manner at Tenant's sole cost and expense and Landlord shall have no liability to Tenant with respect to such abandoned property. Tenant specifically acknowledges and agrees that in no event shall Landlord be considered a bailee as to such property.

Section 16.03. Holding Over. If Tenant shall hold possession of the Premises after the expiration or sooner termination of the Term of this Lease, then:

A. If such holding over is with Landlord's written consent, Tenant shall be deemed to be occupying the Premises as a tenant from month-to-month, at a monthly rental to be agreed between Landlord and Tenant, and subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy; or

B. If such holding over is without Landlord's written consent, Tenant shall be treated as a trespasser, and Landlord shall be entitled to the benefit of all laws relating to the speedy recovery of the possession of the Premises.

Section 16.04. Survival. The terms of this Article 16 shall survive the expiration or earlier termination of this Lease.

ARTICLE 17 - NOTICES

Section 17.01. Notices. All notices, consents, demands, requests, documents, or other communications (other than payment of Rent) required or permitted hereunder (collectively, "notices") shall be deemed given, whether actually received or not, when dispatched for hand delivery or delivery by air express courier (with signed receipts) to the other party, or on the third business day after deposit in the United States Mail, postage prepaid, certified or registered, return receipt requested, except for notice of change of address which shall be deemed given only upon actual receipt. The addresses of the parties for notices shall be those set forth in the Basic Lease Information, or any such other addresses subsequently specified by each party in notices given pursuant to this Article.

ARTICLE 18 - MISCELLANEOUS

Section 18.01. Professional Fees. To the extent permitted by law, in any action or proceeding brought by either party against the other under this Lease, the substantially prevailing party shall be entitled to recover from the other party its actual professional fees such as appraisers', accountants' and attorneys' fees, investigation costs, and other legal expenses and court costs incurred by the prevailing party in such action or proceeding.

Section 18.02. No Partnership. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto except Landlord and Tenant.

Section 18.03. Interpretation.

A. Every term, condition, agreement or provision contained in this Lease that imposes an obligation on Tenant or Landlord shall be deemed to be also a covenant by Tenant or Landlord, as applicable.

B. Wherever it is provided herein that a party "may" perform an act or do anything, it shall be construed that party may, but shall not be obligated to, so perform or so do such act or thing.

C. This Lease may be executed in several counterparts and the counterparts shall constitute but one and the same instrument.

D. Any party may act under this Lease by its attorney or agent appointed by an instrument executed by such party.

E. Wherever a requirement is imposed on any party hereto, it shall be deemed that such party shall be required to perform such requirement at its sole cost and expense unless it is specifically otherwise provided herein.

F. Any restriction on or requirement imposed upon Tenant hereunder shall be deemed to extend to Tenant's guarantors, Tenant's sublessees, Tenant's assignees and Tenant's invitees, and it shall be Tenant's obligation to cause the foregoing persons to comply with such restriction or requirement.

Section 18.04. Recording. This Lease or a memorandum hereof may be recorded among the land records of the jurisdiction in which the Premises is located.

Section 18.05. Severability. Every agreement contained in this Lease is, and shall be construed as, a separate and independent agreement. If any term of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable, the remaining agreements contained in this Lease shall not be affected.

Section 18.06. Non-Merger. There shall be no merger of this Lease with any underlying leasehold interest or the fee estate in the Project or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or any interests in this Lease as well as any underlying leasehold interest or fee estate in the Project or any interest in such fee estate.

Section 18.07. Landlord's Liability. Anything contained in this Lease to the contrary notwithstanding, Tenant agrees that Tenant shall look solely to the estate and property of Landlord in the Premises for the collection of any judgment or other judicial process requiring the payment of money by Landlord for any default or breach by Landlord under this Lease, subject, however, to the prior rights of any mortgagee or lessor of the Premises. No other assets of Landlord or any partners, shareholders, or other principals of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim.

Section 18.08. Force Majeure. Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant including, without limitation, time for construction and repairs, Landlord and tenant shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to force majeure, which term shall include strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or any cause of any kind whatsoever which is beyond the reasonable control of Landlord or Tenant.

Section 18.09. Headings. The article headings contained in this Lease are for convenience only. Words in the singular number shall be held to include the plural, unless the context otherwise requires.

Section 18.10. Entire Agreement; Amendments. This Lease and the Exhibits and Riders attached hereto set forth the entire agreement between the parties. No amendment or modification of this Lease shall be binding or valid unless expressed in a writing executed by both parties hereto.

Section 18.11. Governing Law. This Lease shall be governed by and construed under the laws of the Commonwealth of Virginia, without reference to its conflicts of laws principles. Should any provision of this Lease require judicial interpretation, Landlord and Tenant hereby agree and stipulate that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had full opportunity to consult legal counsel of its choice before the execution of this Lease.

Section 18.12. Authority. Each individual executing this Lease on behalf of Landlord and Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of Landlord or Tenant in accordance with governing law.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have set their signatures and seals as of the date first above written.

LANDLORD:

The Alexandria Historical Restoration and Preservation Commission, a political subdivision of the Commonwealth of Virginia

By: _____
Charles Trozzo
Chairman

TENANT:

The City of Alexandria, a municipal corporation of Virginia

By: _____
Philip Sunderland
City Manager

EXHIBIT A
PREMISES

EXHIBIT B

PLANS AND SPECIFICATIONS FOR IMPROVEMENTS